

1997-98 SESSION
COMMITTEE HEARING
RECORDS

Committee Name:

Joint Committee on
Finance (JC-Fi)

Sample:

Record of Comm. Proceedings ... RCP

- 05hrAC-EdR_RCP_pt01a
- 05hrAC-EdR_RCP_pt01b
- 05hrAC-EdR_RCP_pt02

➤ Appointments ... Appt

➤ **

➤ Clearinghouse Rules ... CRule

➤ **

➤ Committee Hearings ... CH

➤ **

➤ Committee Reports ... CR

➤ **

➤ Executive Sessions ... ES

➤ **

➤ Hearing Records ... HR

➤ **

➤ Miscellaneous ... Misc

➤ 97hrJC-Fi_Misc_pt208

➤ Record of Comm. Proceedings ... RCP

➤ **



STATE OF WISCONSIN
DEPARTMENT OF ADMINISTRATION
101 East Wilson Street, Madison, Wisconsin

TOMMY G. THOMPSON
GOVERNOR
MARK D. BUGHER
SECRETARY

Mailing Address:
Post Office Box 7864
Madison, WI 53707-7864



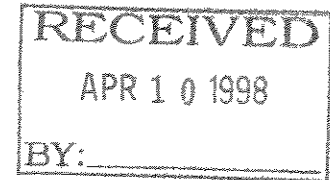
Date: April 10, 1998

To: The Honorable Brian Burke, Co-Chair
Joint Committee on Finance

The Honorable John Gard, Co-Chair
Joint Committee on Finance

From: Mark D. Bugher, Secretary
Department of Administration

Subject: S. 16.515/16.505(2) Requests



Enclosed are requests that have been approved by this department under the authority granted in s. 16.515 and s. 16.505(2). The explanation for each request is included in the attached materials. Listed below is a summary of each item:

<u>AGENCY</u>	<u>DESCRIPTION</u>	<u>1997-98</u> <u>AMOUNT</u>	<u>FTE</u>	<u>1998-99</u> <u>AMOUNT</u>	<u>FTE</u>
Commerce 20.143(1)(k)	Sale of materials or services				*1.00
Supreme Court 20.680(4)(g)	Library collections and services	\$9,100		\$9,100	

*One-time expenditure authority

As provided in s. 16.515, the requests will be approved on May 1, 1998, unless we are notified prior to that time that the Joint Committee on Finance wishes to meet in formal session about any of the requests.

Please contact Jay Huemmer at 266-1072, or the analyst who reviewed the request in the Division of Executive Budget and Finance, if you have any additional questions.


Attachments

CORRESPONDENCE/MEMORANDUM

STATE OF WISCONSIN
Department of Administration

Date: April 7, 1998

To: Mark D. Bugher
Secretary

From: Jacqueline Jugenheimer, 
Budget and Policy Analyst

Subject: Section 16.505 Request from the Department of Commerce for the Creation of 1.0 FTE Grant Specialist Project Position.

Request

The Department of Commerce (Commerce) requests the creation of 1.0 FTE SEG grant specialist project position for one year from June 21, 1998 to June 20, 1999. The ongoing cost of this position would be \$55,400 SEG, which would be funded through a contract with the Recycling Market Development Board (RMDB). The position would administer awards that were made by the former Department of Development from 1991-1995.

Revenue Sources for Appropriation(s):

Revenue deposited in the appropriation under s.20.143.(1)(k) - Sale of Materials or Services come from numerous contracts the department has with other agencies. The RMDB's funds have been appropriated from the state's Recycling Fund.

Background

Under 1989 Act 335 a recycling loan and grant program was created in the former Department of Development (DOD), now the Department of Commerce (COMMERCE). Effective July 1, 1995, the responsibility for the program was transferred to the RMDB. At that time 146 projects, totaling \$29.6 million were outstanding and RMDB contracted with COMMERCE to continue the administration of these grants. Under the agreement, COMMERCE's responsibilities include:

1. Administration of all encumbered recycling funds and disbursement of remaining funds.
2. Financial assistance to businesses.
3. Financial analyses of pending projects.
4. Monitoring and enforcement of contract performance.

The department requested and obtained a two-year Program Assistant 4 project position to assist with the administration of the recycling grants and loans. Since the position ended on December 31, 1997, an LTE has assisted the department with the administration of the still active grants and loans. Projects are considered active for three years after the last disbursement of funds. Currently, 102 projects are still

in this category, 74 of which are grants, the remaining 28 projects are loans. The department estimates that 13 loans will be completely closed out by July 1, 1998, and an additional 42 by July 1, 1999. The department has indicated that workload associated with the remaining projects could be absorbed by existing staff.

The department has proposed the following budget for the position:

	<u>FY99</u>
Salary	\$34,530
Fringe	\$12,890
Overhead	<u>\$ 8,020</u>
Total	\$55,440

Analysis

In order to assess the workload need to close out the old DOD recycling portfolio described above, it is reasonable to look at the current COMMERCE and RMDB portfolios, which do not include the old DOD recycling loans and grants. COMMERCE's total loan portfolio, which includes Wisconsin Development Fund, Rural Economic Development Fund, and Community Development Block Grant projects, is comprised of a total of 400 projects totaling \$150 million, for which the department has 8.5 FTE positions. In addition, the RMDB administers 200 projects with a total value of \$17.5 million, which were entered into after July 1, 1995, with more than 2.0 FTE positions. The workload associated with the current RMDB and COMMERCE portfolios is greater than the one associated with the old DOD loans and grants, since the latter no longer requires up-front work and underwriting. However, given the number of loans and grants that are still active in the old DOD portfolio, 1.0 FTE appears to be a reasonable estimate for staff needs.

Currently, the department employs an LTE to administer the still active old DOD projects since existing staff cannot absorb any additional grant or loan administration workload. Since it will take more than six months to administer the remaining outstanding loans and grants, it is appropriate for Commerce to request a project position for this purpose.

Based on a correction of salary needs and associated fringe benefits, the budget for the position is modified as follows.

	<u>FY99</u>	<u>Difference</u>
Salary	\$33,400	-\$1,100
Fringe	\$12,500	-\$ 400
Overhead	<u>\$ 8,000</u>	<u>\$ 0</u>
Total	\$53,900	-\$1,500

Recommendation

Approve the request.

P. O. Box 7970
Madison, Wisconsin 53707
(608) 266-1018

Tommy G. Thompson, Governor
William J. McCoshen, Secretary

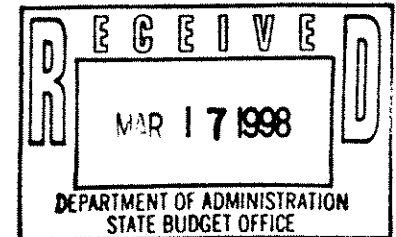
MEMORANDUM

DATE: March 13, 1998

TO: Mark D. Bugher, Secretary
Department of Administration

FROM: William J. McCoshen, Secretary
Department of Commerce

SUBJECT: 16.505 REQUEST TO AUTHORIZE A GRANTS SPECIALIST-ADVANCED
PROJECT POSITION FOR THE BUREAU OF BUSINESS FINANCE



Request

The Department of Commerce requests authority to create a one-year (June 21, 1998 to June 20, 1999) project Grants Specialist-Advanced position to be funded utilizing funds from the Recycling Market Development Board (RMDB). The position will be located in the Bureau of Business Finance and will be responsible for closing out the loan and grant portfolio of recycling projects funded by the former Department of Development from 1991-1995.

Revenue Source

Funding for the position will be provided under appropriation 121, s. 20.143 (1) (k), sale of materials or services. The RMDB will provide the funding for the position. The RMDB will enter into a contract with the Department of Commerce for the period of June 21, 1998 through June 20, 1999.

Background

The recycling loan and rebate programs were created in 1989 Act 335. The Wisconsin Department of Development (now Commerce) administered the recycling programs from the effective date of that law until June 30, 1995. The Department also received authorization for four FTE positions to administer and market the recycling programs. These positions were eliminated effective June 30, 1995. Effective July 1, 1995, responsibility for administering grants and loans for recycling activities was transferred to the RMDB.

The RMDB requested that the Department of Commerce retain the responsibility of administering the 146 projects, totaling \$29.6 million that were funded by the Department. Since July 1, 1995, the RMDB has contracted, through a Memorandum of Understanding (MOU), with the Department to administer projects that were funded prior to July 1, 1995. The Department's responsibilities under the MOU have been to:

1. Maintain all files and records.
2. Administer all encumbered recycling funds.
3. Provide assistance to businesses and other parties in repackaging projects, as needed.
4. Conduct financial analyses of projects and make recommendations for modifications, as needed.
4. Review and monitor reports submitted by recipients.
5. Disburse funds payable to recipients.
6. Provide quarterly reports to the RMDB.
7. Monitor contract performance and amend contracts, as needed.
8. Issue notices of default, as required.
9. In consultation with the RMDB, refer loans and grants to the Department of Justice or a collection agency, if needed.

The original MOU, which included funding for a Grants Specialist-Advanced and a Program Assistant 4, expired in December of 1997. However, there were well over 100 of the projects that had not been closed out. The Department determined that the existing Program Assistant would be able to absorb the clerical duties relating to the recycling portfolio. However, existing loan officer staff were not able to absorb the workload associated with the portfolio. In November of 1997, the Department requested authorization for an 18-month project position for the period of January 1, 1998 through June 30, 1999. The RMDB authorized funding for a six-month LTE Grants Specialist from January 1, 1998 through June 20, 1998. At the same time, the Board requested the Department provide more detail on the need for a position to extend through June 30, 1999. The Department provided the RMDB with the requested information at the March meeting. The Board approved funding a Grants Specialist-Advanced position from June 21, 1998 through June 20, 1999.

There are 4.5 FTE loan officers, 2 contract specialists, 1 program assistant, and 1.0 FTE director that administer the portfolio associated with the Technology Development Fund, Customized Labor Training, Major Economic Development, Rural Economic Development, and Community Development Block Grant-Economic Development programs. The portfolio for these programs includes approximately 400 projects totaling \$150 million. The existing professional staff are unable to absorb the additional workload related to the recycling portfolio.

During the period of 1991-1995, the Department of Development (now Commerce) made 146 awards, totaling \$29.6 million, under the various recycling programs administered by the Department. There are 102 projects that are still active, including 28 loans and 74 grants.

A project remains "active" even after the funds are disbursed. A grant project is active from the time it is awarded until three years after the last disbursement of funds. This is due to the fact that the recipients are required to continue reporting on activities for three years after the last funds are disbursed, and staff continue monitoring the projects throughout this period. In addition, the projects that are loans are active until the loan has been repaid. Loan repayments may be for a period of seven to ten years.

The activities associated with monitoring the grant and loan programs vary. For loan projects, staff must ensure that loan repayments are made as scheduled. When payments are not made, staff must contact the business, sometimes on a daily or weekly basis, to obtain the payment. Some companies experience financial difficulties during the repayment period, which prevent them from making timely payments. This requires the staff to spend a significant amount of time with the business in trying to rework the loan and their other financial obligations so that payments can be made. In cases of default, the staff has to work with the Department of Justice to pursue legal action. The current status of the Department's loan portfolio is:

Completed	10
Current With Payments	9
Payments in Arrears	7
Defaulted Loans	1
Referred to Justice	<u>1</u>
TOTAL	28

The Department has 74 grant projects that are still active; i.e., still drawing funds, or in the process of being closed out. As indicated above, staff continue monitoring these projects for three years after the last disbursement of funds to the business. The monitoring activities include reviewing the reports to determine if the business is still meeting its goals in utilizing recycled waste, contacting recipients to obtain overdue reports, and providing technical assistance to recipients that are encountering problems in meeting their goals. These activities can be very time consuming when there are applicants that are not submitting reports as required and when businesses are encountering problems. Following is a schedule of the active projects and the time frame when they should be completely closed out.

By July 1, 1998	13 projects
By July 1, 1999	42 projects
After July 1, 1999	<u>19 projects</u>
TOTAL	74 projects

The Department's existing staff can absorb the workload associated with the 19 projects that will end after July 1, 1999. However, it is not possible for the staff to absorb the work associated with all the projects. Providing a project position through June 20, 1999 will assist the Department to effectively assist the businesses that have been funded under the recycling programs and to monitor and close out these projects in an effective manner.

The cost for the project position will be as follows:

One year Project position from June 21, 1998 through June 20, 1999

Wage	\$34,530
Fringe	12,890
Admin. Overhead	8,020

TOTAL	\$55,440
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A copy of the position description for the Grants Specialist-Advanced is attached.

Enc.

cc: Jill Thomas
Todd Kearney
Gail Miller Wray
Louie Rech

POSITION DESCRIPTION

DER-PERS-10 (Rev. 5-84)
State of Wisconsin
Department of Employment Relations

1. Position No.	2. Cert/Reclass Request No. 98-32	3. Agency No. 143000
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4. NAME OF EMPLOYEE	5. DEPARTMENT, UNIT, WORK ADDRESS Department of Commerce Division of Economic Development Bureau of Development Finance 201 W. Washington Avenue Madison, WI 53702
6. CLASSIFICATION TITLE OF POSITION Grants Specialist-Advanced	
7. CLASS TITLE OPTION (To be Filled Out By Personnel Office)	8. NAME AND CLASS OF FORMER INCUMBENT NEW POSITION
9. AGENCY WORKING TITLE OF POSITION	10. NAME AND CLASS OF EMPLOYEES PERFORMING SIMILAR DUTIES
11. NAME AND CLASS OF FIRST-LINE SUPERVISOR Todd Kearney, Bureau Director Admin Officer 2-Supervisor	12. FROM APPROXIMATELY WHAT DATE HAS THE EMPLOYEE PERFORMED THE WORK DESCRIBED BELOW?
13. DOES THIS POSITION SUPERVISE SUBORDINATE EMPLOYEES IN PERMANENT POSITIONS? AND ATTACH A SUPERVISORY POSITION ANALYSIS FORM (DER-PERS-84). Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> IF YES, COMPLETE	

14. POSITION SUMMARY - PLEASE DESCRIBE BELOW THE MAJOR GOALS OF THIS POSITION:

SEE ATTACHED

15. DESCRIBE THE GOALS AND WORKER ACTIVITIES OF THIS POSITION (Please see sample format and instructions on back of last page.)

- GOALS: Describe the major achievements, outputs, or results. List them in descending order of importance.
- WORKER ACTIVITIES: Under each goal, list the worker activities performed to meet that goal.
- TIME %: Include for goals and major worker activities.

TIME %	GOALS AND WORKER ACTIVITIES
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(Continue on attached sheets)

SEE ATTACHED

16. SUPERVISORY SECTION - TO BE COMPLETED BY THE FIRST LINE SUPERVISOR OF THIS POSITION (See Instructions on Back of last page)

- The supervision, direction, and review given to the work of this position is ☐ close ☐ limited ☐ general.
- The statements and time estimates above and on attachments accurately describe the work assigned to the position. (Please initial and date attachments.)

Signature of first-line supervisor _____ Date _____

17. EMPLOYEE SECTION - TO BE COMPLETED BY THE INCUMBENT OF THIS POSITION

I have read and understand that the statements and time estimates above and on attachments are a description of the functions assigned my position.
(Please initial and date attachments.)

Signature of employee _____ Date _____

18. Signature of Personnel Manager Barbara Jull Thomas Date 11/12/97

14. POSITION SUMMARY

This position is a statewide recycling economic development specialist based in Madison with some travel and represents the Department in the design, negotiation, and implementation of local economic development programs. As assigned by the Director, the specialist serves as a bureau expert in reviewing past recycling applications and negotiating modifications to the terms of the existing recycling contracts administered by the Bureau of Business Finance. Conducting reviews and analyses of business financial statements is an integral part of the position responsibilities. The position is responsible for being a resource person on more general economic development issues including program design and implementation, performing specific monitoring and evaluating of program operational procedures, and planning and conducting various Department training programs.

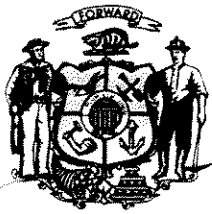
15. GOALS AND WORKER ACTIVITIES OF THIS POSITION

TIME % GOALS AND WORKER ACTIVITIES

- 50% A. Provision of specialized assistance to local government officials and business persons in the planning, developing, negotiating, and implementing of recycling and other economic development programs that utilize the Bureau's resources, other federal and state economic development programs, bank financing and other private sources of equity contributions. The specialist's role is that of a financial packaging expert who maintains rapport and works closely with the financial network that funds community and business development proposals.
- A1. Provide specialized technical assistance to local government officials and business persons in packaging recycling and other economic development proposals.
- A2. Inform financial institutions of their role in economic development projects and work with them to structure specific proposals.
- A3. As a resource person for bureau staff, provide an in-depth financial analysis of proposals received to modify existing contracts or for additional funding. This will include an analysis of both historical and projected financial statements as well as personal financial statements. The position will utilize the Department's computerized financial analysis software and will present a written narrative that discusses such factors as sales growth, net profit margin, current ratio, debt to worth, receivables, inventory and payables turnovers as well as cash flow.
- A4. Independently review assigned economic development applications for completeness and suitability for modification or funding. Determine that there is a need for public financial assistance and that the project meets the minimum eligibility requirements.

- A5. Utilizing the Bureau's standard underwriting criteria, independently evaluate proposals and recommend funding actions. Such evaluations will include a recommendation concerning the appropriate funding level, the specific use of Department funds and if a loan, the specific rate and term of the loan, the collateral requirements, supporting guarantees and other terms and conditions necessary to adequately safeguard the Department's investment.
 - A6. Negotiate terms for economic development contracts including coordinating with other department-administered state and federal economic development programs, the Recycling Markets Development Board, Wisconsin Department of Natural Resources, the U.S. Department of Housing and Urban Development, Wisconsin Housing and Economic Development Association, etc.
 - A7. Provide follow-up services to businesses and local governments whose proposals were not funded. Explain the reasons for nonfunding.
- 30% B. Monitoring of assigned projects, specifically including the provision of on-site technical assistance related to program implementation and compliance for existing recycling awards.
- B1. Examine recipient performance records and reports to assure compliance with program requirements and objectives.
 - B2. Assist local officials in understanding and complying with program regulations.
 - B3. Prepare contract amendments as necessary to facilitate the implementation of local programs consistent with state project objectives and with the terms of the contract.
 - B4. Serve as a resource person or negotiator to resolve noncompliance problems during the period of the contract.
 - B5. Direct local government to appropriate sources of technical and/or financial assistance where issues or problems arise that are outside the expertise of the department representative.
 - B6. Report activities and problems at regular intervals to management and make recommendations when appropriate to insure the proper administration of the Bureau's programs at both the state and local levels.
 - B7. Approve release of funds (drawdown) according to contract terms.

- B8. Close-out projects in accordance with the contract provisions and Bureau policy.
- 10% C. Program design and implementation.
 - C1. Advise department management on the design and implementation of the programs as needed to help maintain its responsiveness to economic development needs as found in Wisconsin's small cities.
 - C2. Recommend revisions/modifications in the statutes, rules and guidelines of the programs when needed.
 - C3. Recommend changes/modifications in the design and use of credit evaluation, record keeping and filing system for the programs.
- 5% D. Assist in establishing the Bureau's training programs, agendas and materials for local government officials, businesses, finance community and staff.
 - D1. Assess community and economic development training needs of local officials through interviews, questionnaires and evaluation results.
 - D2. Develop program training materials to meet identified needs, determining specific program objectives and designing training programs using appropriate available resources.
 - D3. Monitor and evaluate the Bureau's training programs to determine their effectiveness in meeting local needs.
- 5% E. Assistance in special projects as assigned, including exploring initiatives designed to enhance or expand the results of bureau-administered programs.
 - E1. Conduct special monitoring of files or desk reviews of program files to determine operational status of various facets of programs' procedures (i.e., 5% contract retainage).
 - E2. Perform review of program practices across different programs to evaluate operating procedures usage within programs and consistency across programs.



STATE OF WISCONSIN
DEPARTMENT OF ADMINISTRATION
101 East Wilson Street, Madison, Wisconsin

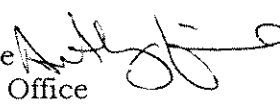
TOMMY G. THOMPSON
GOVERNOR
MARK D. BUGHER
SECRETARY

Mailing Address:
Post Office Box 7864
Madison, WI 53707-7864



Date: April 8, 1998

To: Mark D. Bugher, Secretary
Department of Administration

From: Anthony Fiore 
State Budget Office

Subject: Request under s. 16.515 from the Director of State Courts for an increase in expenditure authority for appropriation 20.680(4)(g), Library Collections and Services.

REQUEST:

Under the provisions of s. 16.515, the Director of State Courts, on behalf of the Supreme Court, requests an increase in the expenditure authority in s. 20.680(4)(g) of \$9,100 in FY98 to provide additional funds for the maintenance of the Law Library's Innopac computer system.

REVENUE SOURCES FOR APPROPRIATION:

The revenue to support this request will be paid for by fees or other charges for photocopying, microfilm copying, generation of copies of documents from optical disk or electronic storage, computer services, sales of books and other services provided in carrying out the function of the library. The revenues are deposited under the appropriation 20.680(4)(g).

BACKGROUND:

In the court's 1995-97 biennial budget request, GPR funds were requested to upgrade the State law Library's Innopac computer system to enable the library to provide catalog and serials information to users statewide. Included in this request was one-time funding (\$50,000) to upgrade the computer system's software, which provides network access, and \$9,100 GPR annually for computer maintenance and recurring CDN charges.

The Governor and Legislature approved of the request, but changed the funding source from GPR to PR (justice information fee revenues). In addition, the recurring charges for the maintenance of the computer system were treated as one-time funding.

In the courts 1997-99 biennial budget request, the courts requested the \$9,100 for computer maintenance be considered ongoing rather than one-time funding, and be restored to their base budget. The funding was removed as part of the standard budget adjustments.

ANALYSIS:

Based on the initial budget request for this item it seems apparent the \$9,100 was originally intended for ongoing computer maintenance. This request seems reasonable since computer maintenance is ongoing and is typically funded as such. Sufficient revenues under this appropriation exist to support the requested increase in expenditure authority. Although it is not clear from the analysis provided by the courts, in conversations with the courts they have specified that this request is for ongoing funding within this appropriation for this purpose. The spending authority for this appropriation should be increased as requested on an ongoing basis.

RECOMMENDATION:

Approve the request for increased expenditure authority of \$9,100 PRO annually beginning in FY98 for appropriation s. 20.680 (4) (g), Library Collections and Services. The ongoing expenditure authority will be built into the base of appropriation 20.680 (4)(g) as part of the B9 base reconciliation process in the 1999-01 budget.



Supreme Court of Wisconsin

DIRECTOR OF STATE COURTS
P.O. BOX 1688
MADISON, WISCONSIN 53701-1688

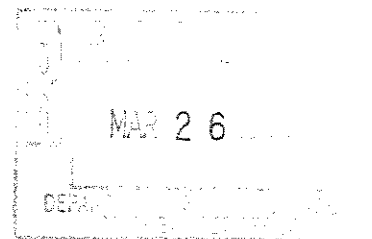
Shirley S. Abrahamson
Chief Justice

213 N.E. State Capitol
Telephone 608-266-6828
Fax 608-267-0980

J. Denis Moran
Director of State Courts

DATE: March 26, 1998

TO: Richard G. Chandler, State Budget Director
Division of Executive Budget and Planning
10th Floor - Administration Building
P.O. Box 7864
Madison, Wisconsin 53707-7864



FROM: J. Denis Moran, Director of State Courts
Supreme Court of Wisconsin

SUBJECT: Request Under s. 16.515, Wis. Statutes for an Increase in Expenditure Authority of \$9,100 for Appropriation 20.680 (4)(g), Library Collections and Services

REQUEST

Under the provisions of s. 16.515, Wis. Stats., the Director of State Courts, on behalf of the Supreme Court, requests an increase in expenditure authority of \$9,100 for appropriation 20.680 (4)(g), Library Collections and Services. This request is to provide additional funds to fund maintenance of the Law Library's Innopac computer system. This item had been previously funded from appropriation 20.680 (2)(kd), but was deleted in the 1997-99 biennial budget.

BACKGROUND

In the court system's 1995-97 biennial budget submission, GPR funds were requested to upgrade the State Law Library's Innopac computer system to enable the library to provide catalog and serials information to users statewide. Included in this request was one-time money (\$50,000) to upgrade the computer system's software, which provides network access, and \$9,100 GPR annually for computer maintenance and recurring CDN charges.

The Governor and Legislature approved the request in principle, but changed the funding source from GPR to PR (justice information fee revenues). In addition, the recurring charges for the maintenance of the computer system were treated as one-

time. In the court's 1997-99 biennial budget request, we asserted that computer maintenance funds are by their nature ongoing and not one-time, and requested that the \$9,100 be restored to our budget. This item was denied by the Governor, and no alternate expenditure authority was provided. This submission is to rectify that situation.

ANALYSIS

The program revenue function of the State Law Library is to provide services to citizens, small law firms and others who have a need for affordable legal research. The library locates and sends materials to requesters throughout the state. This service annually receives over 3500 photocopy and fax requests, resulting in over 70,000 pages of information being sent to attorneys, judges and citizens. The expenditures from this appropriation are related to providing these services (1.0 permanent position and an LTE photocopy assistant), in the lease/maintenance of the photocopy equipment or in the purchase of supplies and services to maintain this document delivery function. Fees to support these services have been set accordingly.

The annual cost of the Innovative Interfaces (Innopac) computer maintenance contract is approximately \$25,400. The funding allocation to support this service is shown below:

	<u>FY 96</u>	<u>FY 97</u>	<u>FY 98</u>
680 (2)(kd)	\$9,100	\$9,100	-0-
680 (4)(a)	\$12,700	\$12,700	\$12,700
680 (4)(g)	\$3,600	\$3,600	\$12,700

Maintenance of a computer system is not a one-time event. Since no additional expenditure authority has been provided for this expense and since no GPR funds are available (only a portion of our GPR request to keep up with added expenses due to book inflation was funded in the last biennial budget), there appears to be no other alternative but to request additional continuing expenditure authority to cover the cost of computer maintenance.

Revenue Sources for Appropriation

The revenue sources deposited under the appropriation 20.680 (4)(g) are fees or other charges for photocopying, microfilm copying, generation of copies of documents from optical disk or electronic storage, computer services, sales of books and other services provided in carrying out the function of the library. To date, the library has received \$67,278 in revenues for FY 98 plus an additional \$17,266 in revenue carried over from previous years, for a total of \$84,544 on account. It is estimated that at least an additional \$25,000 will be generated during FY 98 (based on the current revenue stream of \$7,000 per month plus additional revenue of at least \$4,000 in June due to the annual issuance of after hours library passes.) This will result in available

revenues of approximately \$110,00 being available to cover expenditures, well above the \$93,850 requested.

Finally, this is another situation where expenditures could not be made if the funds are not received.

FISCAL IMPACT

The following are the specifics of the request:

	Current WISMART Authority	Projected Expenditures
Permanent Salaries	17,100	21,400
LTE Salaries	11,200	14,000
Fringe Benefits	9,800	10,400
Supplies/Services	38,394	39,794
Permanent Property	8,256	8,256
TOTAL	\$84,750	\$93,850

To date, \$72,516 has been expended and \$5,266 has been encumbered from this appropriation.

Expenditures from this appropriation have been stable: in FY 97 they were \$81,600. The primary differences between this year and last are the \$9,100 for computer maintenance plus pay plan and additional fringe benefit costs resulting from the approval, last year, of an additional 0.5 FTE position authority.

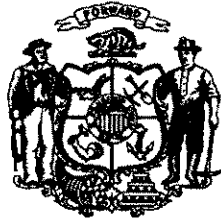
SUMMARY

The Director of State Courts, on behalf of the Supreme Court, requests an increase in expenditure authority of \$9,100 for appropriation 20. 680 (4)(g), Library Collections and Services. This request provides additional funds to fund maintenance of the Law Library's Innopac computer system. These funds were previously provided under a different appropriation and were removed by the Governor during the 1997-99 biennial budget process.

If you have additional questions, please contact the Court's Budget Officer, David Suchman, at 267-0702.

THE STATE OF WISCONSIN

SENATE CHAIR
BRIAN BURKE



ASSEMBLY CHAIR
JOHN GARD

119 MLK, Room 202
P.O. Box 7882
Madison, WI 53707-7882
Phone: (608) 266-8535

315-N Capitol
P.O. Box 8952
Madison, WI 53708-8952
Phone: (608) 266-2343

JOINT COMMITTEE ON FINANCE

April 14, 1998

Secretary Mark Bugher
Department of Administration
101 East Wilson St., 10th Floor
Madison, WI 53702

Dear Secretary Bugher:

We are writing to inform you that the members of the Joint Committee on Finance have reviewed your request dated March 17, 1998, concerning the Department of Health and Family Services' plan for allocation of unanticipated federal Substance Abuse Block Grant funds.

No objections have been raised concerning this request. Accordingly, the request is approved.

Sincerely,

Handwritten signature of Brian Burke in black ink.

BRIAN BURKE
Senate Chair

Handwritten signature of John G. Gard in black ink.

JOHN G. GARD
Assembly Chair

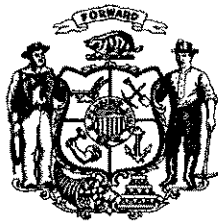
BB:JG:dh

cc: Members, Joint Committee on Finance
Secretary Joe Leean, Dept. of Health and Family Services
Robert Lang, Legislative Fiscal Bureau
Jay Huemmer, Department of Administration

THE STATE OF WISCONSIN

SENATE CHAIR
BRIAN BURKE

119 MLK, Room 202
P.O. Box 7882
Madison, WI 53707-7882
Phone: (608) 266-8535



ASSEMBLY CHAIR
JOHN GARD

315-N Capitol
P.O. Box 8952
Madison, WI 53708-8952
Phone: (608) 266-2343

JOINT COMMITTEE ON FINANCE

MEMORANDUM

To: Members
Joint Committee on Finance

From: Senator Brian Burke
Representative John Gard

Date: March 25, 1998

Re: 14 Day Passive Review Approval

Attached is a copy of a request from the Department of Administration, concerning the Department of Health and Family Services' plan for allocation of unanticipated federal Substance Abuse Block Grant funds. It requires a 14 day passive review and approval by the Joint Committee on Finance, pursuant to s. 46.49(1), Stats.

Please review the material and notify **Senator Burke** or **Representative Gard** no later than **Monday, April 13, 1998**, if you have any concerns about the request or if you would like the Committee to meet formally to discuss it.

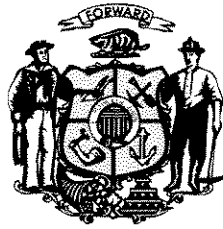
Also, please contact us if you need further information.

Attachment

BB:JG:dh

STATE OF WISCONSIN
DEPARTMENT OF ADMINISTRATION
101 East Wilson Street, Madison, Wisconsin

TOMMY G. THOMPSON
GOVERNOR
MARK D. BUGHER
SECRETARY



Mailing Address:
Post Office Box 7864
Madison, WI 53707-7864

March 17, 1998

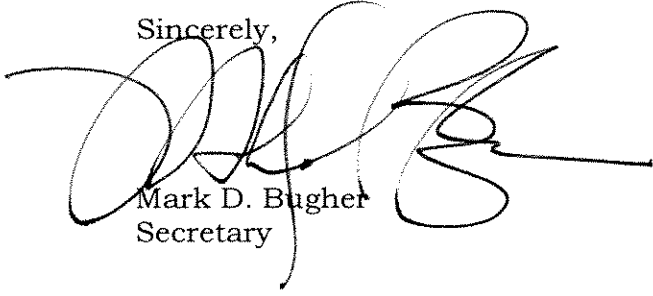
The Honorable Brian Burke, Co-Chair
Joint Committee on Finance
Room LL1, 119 Martin Luther King Jr. Blvd.
Madison, WI 53702

The Honorable John Gard, Co-Chair
Joint Committee on Finance
Room 315 North, State Capitol
Madison, WI 53702

Dear Senator Burke and Representative Gard:

Pursuant to s. 46.49(1) I am submitting the Department of Health and Family Services' plan for allocation of unanticipated federal Substance Abuse Block Grant funds. I have approved the plan that will increase Community Aids allocations by \$824,800 FED in FY98 and \$1,094,600 in FY99.

Sincerely,


Mark D. Bugher
Secretary

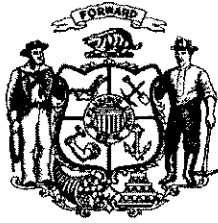
Substance Abuse Prevention and Treatment Block Grant 97-99 Proposed Levels						OSF 2/13/98		
Federal Awards		Annual	By Quarter					
FFY97		\$ 23,362,586	\$	5,840,647				
FFY98		\$ 23,362,586	\$	5,840,647				
FFY99 est		\$ 23,362,586	\$	5,840,647				
					SFY 97	SFY 98	SFY 99	
384 Community Aids						\$ 2,710,100	\$ 2,710,100	
391 State Operations						\$ 60,700	\$ 60,700	
396 Local Assistance				Act 27 AODA pilot		\$ 250,000	\$ 250,000	
397 Aids				Neighborhood Drug Use		\$ 1,200,000	\$ 1,200,000	
				American Indian Trails		\$ 268,900	\$ 268,900	
				WI Clearinghouse		\$ 97,900	\$ 97,900	
				AODA Education Milw.		\$ 125,000	\$ 125,000	
				HIV Prevention		\$ 75,000	\$ 75,000	
				Total		\$ 1,766,800	\$ 1,766,800	
690 State Operations					\$ 1,186,300	\$ 1,073,800	\$ 1,073,800	
744 Local Assistance				IV Drug Abuse	\$ 2,383,600	\$ 2,383,600	\$ 2,383,600	
				Juvenile Justice	\$ 1,340,000	\$ 1,340,000	\$ 1,340,000	
				Neighborhood Drug Use	\$ 1,200,000			moved to 397
				Treatment Alternative	\$ 741,300	\$ 741,300	\$ 741,300	
				Family Services	\$ 250,000	\$ 250,000	\$ 250,000	
				LARC	\$ 50,000	\$ 50,000	\$ 50,000	
				Minority Treat. Counties	\$ 200,000	\$ 200,000	\$ 200,000	
				Minority Treat. Tribes	\$ 200,000	\$ 200,000	\$ 200,000	
				American Indian Trails	\$ 268,900			moved to 397
				Women's Treatment	\$ 235,000	\$ 235,000	\$ 235,000	
				Inner City Councils	\$ 200,000	\$ 200,000	\$ 200,000	
				Act 27 AODA Pilot	\$ 250,000			moved to 396
				Total 744	\$ 7,318,800	\$ 5,599,900	\$ 5,599,900	
790 Community Aids					\$ 11,285,200	\$ 7,817,100	\$ 7,025,600	
791 Aids	DOC			Probation/Parole	\$ 406,300	\$ 406,300	\$ 406,300	
				Women's Halfway House	\$ 352,200	\$ 352,200	\$ 352,200	
				Ethan Allen/Lincoln Hills	\$ 235,700	\$ 235,700	\$ 235,700	
				Indian Halfway House	\$ 152,400	\$ 152,400	\$ 152,400	
				Passages	\$ 160,000	\$ 160,000	\$ 160,000	
				Women's Correctional	\$ 42,600	\$ 42,600	\$ 42,600	
				Youth Gangs		\$ 300,000	\$ 300,000	
	Non DOC			Life Care Serv	\$ 74,000	\$ 74,000	\$ 74,000	
				HIV Prevention	\$ 75,000			moved to 397
				Minority Training	\$ 283,000	\$ 283,000	\$ 283,000	
				WI Clearinghouse	\$ 97,900			moved to 397
				AODA Certification Board	\$ 121,500	\$ 121,500	\$ 121,500	
				AODA Education Milw.	\$ 125,000			moved to 397
				WRW-WAAODA	\$ 60,000	\$ 60,000	\$ 60,000	
				Cocaine Families	\$ 800,000	\$ 800,000	\$ 800,000	
				Meta House	\$ 305,000	\$ 305,000	\$ 305,000	
				Milwaukee Child Welfare Aids	\$ -	\$ 791,500	\$ 1,583,000	
				Total 791	\$ 3,290,600	\$ 4,084,200	\$ 4,875,700	
821 State Operations						\$ 37,600	\$ 37,600	
344				Youth Gang	\$ 300,000			moved to 791
				Total Budgeted	\$ 23,380,900	\$ 23,362,600	\$ 23,362,600	
				Current Revenue		\$ 23,362,586	\$ 23,362,586	
				Difference		\$ (14)	\$ (14)	

Substance Abuse Prevention and Treatment Block Grant				
Adjustments to Community Aids Allocation in 97-99 Biennial Budget				
			FY 98	FY 99
FY 97 Level		\$	11,285,200	\$ 11,285,200
DIN 5608				
Transfer from state operations appropriation		\$	33,500	\$ 33,500
Decrease in anticipation of federal reductions		\$	(824,800)	\$ (1,094,600)
DIN 5810				
Transfer to Milwaukee County Protective Services		\$	(791,500)	\$ (1,583,000)
Final Allotment in 97-99 Budget		\$	9,702,400	\$ 8,641,100
Proposed Restoration		\$	824,800	\$ 1,094,600
Revised Total		\$	10,527,200	\$ 9,735,700

THE STATE OF WISCONSIN

SENATE CHAIR
BRIAN BURKE

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Phone: (608) 266-8535



ASSEMBLY CHAIR
JOHN GARD

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Madison, WI 53708-8952
Phone: (608) 266-2343

JOINT COMMITTEE ON FINANCE

MEMORANDUM

To: Members
Joint Committee on Finance

From: Senator Brian Burke
Representative John Gard
Co-Chairs, Joint Committee on Finance

Date: April 2, 1998

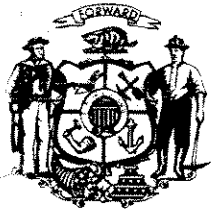
Re: s. 16.505(2), Stats. Request

Attached is a request from Secretary Bugher, dated April 2, 1998, pursuant to s. 16.505(2), Stats., pertaining to a request from the Department of Commerce.

Please review this item and notify **Senator Burke** or **Representative Gard** no later than, **Wednesday, April 22, 1998**, if you have any concerns about the request or would like the Committee to meet formally to consider it.

Also, please contact us if you need further information.

BB/JG/jc



STATE OF WISCONSIN
DEPARTMENT OF ADMINISTRATION
101 East Wilson Street, Madison, Wisconsin

TONY G. THOMPSON
GOVERNOR
MARK D. BUGHER
SECRETARY

Mailing Address:
Post Office Box 7864
Madison, WI 53707-7864



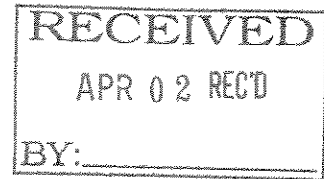
Date: April 2, 1998

To: The Honorable Brian Burke, Co-Chair
Joint Committee on Finance

The Honorable John Gard, Co-Chair
Joint Committee on Finance

From: Mark D. Bugher, Secretary
Department of Administration

Subject: S. 16.515/16.505(2) Requests



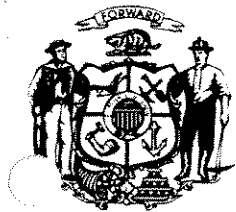
Enclosed are requests that have been approved by this department under the authority granted in s. 16.515 and s. 16.505(2). The explanation for each request is included in the attached materials. Listed below is a summary of each item:

AGENCY	DESCRIPTION	1997-98		1998-99	
		AMOUNT	FTE	AMOUNT	FTE
Commerce 20.143(1)(g)	Gifts, grants and proceeds		.50		.50

As provided in s. 16.515, the requests will be approved on April 23, 1998, unless we are notified prior to that time that the Joint Committee on Finance wishes to meet in formal session about any of the requests.

Please contact Jay Huemmer at 266-1072, or the analyst who reviewed the request in the Division of Executive Budget and Finance, if you have any additional questions.

Attachments



STATE OF WISCONSIN
DEPARTMENT OF ADMINISTRATION
101 East Wilson Street, Madison, Wisconsin

TOMMY G. THOMPSON
GOVERNOR
MARK D. BUGHER
SECRETARY

Mailing Address:
Post Office Box 7864
Madison, WI 53707-7864



Date: March 31, 1998

To: Mark D. Bugher, Secretary
Department of Administration

From: Sarah Justus
Budget and Policy Analyst

Subject: Request Under s. 16.505 From the Department of Commerce for a 0.5 FTE Community Services Specialist 2 position.

REQUEST:

The Department of Commerce requests authorization of a 0.5 FTE Community Services Specialist 2 position to serve as a jobs specialist for the Development Zone and Industrial Revenue Bond programs.

REVENUE SOURCES FOR APPROPRIATION(S):

The sources of revenue deposited in the appropriation under s. 20.143 (1) (g), gifts, grants and proceeds, include application fees for the Industrial Revenue Bond program, which will be used to fund this position.

BACKGROUND:

The Department of Commerce has several programs which provide assistance to businesses that hire target group members, including vocational rehabilitation employees, economically disadvantaged youth and family members, SSI and general assistance recipients, and economically disadvantaged ex-convicts or Vietnam veterans. The Community and Enterprise Development Zone programs provide tax credits to employers who hire members of this target group, as defined by the Internal Revenue Code.

The Industrial Revenue Bond (IRB) program, which provides financing to manufacturing businesses, also considers projected target group employment in scoring applications for allocation of volume cap. Businesses applying to the IRB program pay an application fee of \$500 for allocations of up to \$2 million or \$1,000 for allocations over \$2 million. These fees are deposited in the department's gifts, grants and proceeds appropriation.

The new Community Services Specialist 2 position would provide technical assistance to businesses participating in the development zone or IRB programs to increase the number of target group hires. The position would score IRB applications during the quarterly application cycle, act as a liaison between businesses and local education and training agencies to match employer and employee, and assist businesses in qualifying for available tax credits through the development zone program.

ANALYSIS:

The department is requesting a 0.5 FTE Community Services Specialist 2 position. The financing needs are as follows:

Salary	\$15,732
Fringe	\$ 5,869
Administrative Overhead	\$ 4,000
Rent	\$ 1,900
Supplies and Services	<u>\$ 3,000</u>
TOTAL	\$30,501

These needs will be funded by IRB application fees deposited in the department's gifts, grants and proceeds appropriation, s. 20.143 (1) (g), a PR - continuing appropriation.

The department currently has 1.45 FTE jobs specialist positions which focus on job creation in the Development Zone program. However, the Development Zone program continues to grow. This position would integrate further need for assistance in development zones and the Industrial Revenue Bond program, which often involves businesses in development zones. The need for assistance in ongoing hiring issues will continue after zones have been authorized and volume caps have been allocated. There is a permanent, ongoing need to provide assistance and liaison services to increase hiring of target group members and economic development statewide.

RECOMMENDATION:

Approve the request for the 0.5 FTE Community Services Specialist 2 position. Since this is a continuing appropriation, expenditure authority will be provided through the normal allotment process.



P. O. Box 797
Madison, Wisconsin 5370
(608) 266-101

Tommy G. Thompson, Governor
William J. McCoshen, Secretary

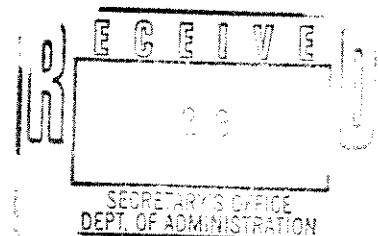
MEMORANDUM

DATE: March 20, 1998

TO: Mark D. Bugher, Secretary
Department of Administration *Mark*

FROM: William J. McCoshen, Secretary
Department of Commerce *WJM*

SUBJECT: § 16.505 Request for Jobs Specialist Position



Request

The Department of Commerce requests the authorization of a 0.5 FTE Community Services Specialist 2 position in the §20.143 (1) (g) appropriation.

Funding Source

The position will be funded from fees the department collects from applications for volume cap allocation in the Industrial Revenue Bond program. The department collects an application fee of \$500 for allocation requests of up to \$2 million, and \$1000 for allocation requests of over \$2 million.

Background

The department has had at least a 1.0 FTE jobs specialist since June of 1993. The first jobs specialist was funded through a contract with United Migrant Opportunity Services. Since

October of 1994, the department has received funding from the Division of Economic Support (DES) in the Department of Health and Social Services, now in the Department of Workforce Development (DWD), to fund a jobs specialist for the "Job Creation in Enterprise Zones" program. The current funding supports a 0.5 FTE permanent job specialist position and a 0.5 FTE project position. Commerce also has another 0.45 FTE GPR jobs specialist. The focus of the program is to increase the number of target group members hired by employers in community development zones (CDZs) and enterprise development zones (EDZs). 379 businesses are currently certified in the CDZ program, and the specialists have actively worked with over 300 of them in the past year. Although efforts are concentrated in the development zones, the jobs specialists do work with firms to increase employment of target group members throughout the state.

The jobs specialist will also have a close tie to the Industrial Revenue Bond program. In scoring applications for allocation of volume cap under the IRB program, the department considers projected hiring of persons who are target group members. Projects are scored on the basis of distress criteria, and projects located in development zones are given additional points. Businesses involved in these projects work with the department's jobs specialists to increase hiring of target group members.

The specialist does not actually place workers with employers, but instead acts as a resource person and a facilitator. The job is to make it easier for employers to work with the thousands of employment and training service providers throughout the state. These E & T providers have caseloads of people who they try to place in jobs. Examples of E & T service providers are: Job Service, private industry councils, the Division of Vocational Rehabilitation, sheltered workshops, JOBS programs, and women's and minority business groups. The E & T providers' clients tend to be target group members. Each development zone has at least seven to eight of these providers; Milwaukee has hundreds, with overlapping service territories and target populations. Each provider offers different financial and training assistance and incentives. The jobs specialist helps employers to understand the different incentives offered by the employment and training providers, and thus helps businesses to find the appropriate agencies and employees. The jobs specialist also provides assistance on the use of the jobs credit and the formalities involved in successfully claiming the credit. Furthermore, the jobs specialist also is a resource to employment and training services, as the specialist knows which employers are hiring staff.

The specialist educates employers about what the E & T providers can offer and thus has to be knowledgeable about each E & T provider's program and what it can offer. Each program is administered locally, and offers different incentives to employers to hire its clients. For instance, most programs offer wage supplementation, but at different amounts and for different time periods. Many programs also offer training assistance, but the scope and the character of the training differ widely. It is the specialist's job to know these programs and what they offer, so that their services can be "sold" to employers. The specialist must also be very knowledgeable about the development zones jobs credit, so that technical assistance and advice can be given to certified businesses.

The specialist is also a resource for the E & T providers. Through a variety of means, the specialist keeps abreast of which employers are hiring and the skills that they are seeking, and notifies E & T providers, so that they can attempt to place their clients. Each year the specialist holds a meeting for all E & T providers in each development zone and tells them who the certified businesses are, what kind of people they employ or are looking for, and gives them contact information.

Growth in the Development Zones Programs

Both the CDZ and EDZ programs have expanded significantly since their inceptions. By the end of FY91 50 CDZ businesses had been certified and had hired 420 members of target groups. By 12/31/97, 379 CDZ businesses had been certified and 3,829 members of target groups hired.

The community development zones program was initially authorized in 1987 Wisconsin Act 328. The legislation authorized eight zones and \$14 million in available tax credits. It was intended to stimulate economic activity in distressed areas. In 1990 four more zones and \$4.155 million in tax credits were added. 1993 Wisconsin Act 16 then increased the limits to fourteen zones and \$21.155 million in tax credits. In 1995 Wisconsin Act 209 increased the number of zones to eighteen and the amount of available tax credits to \$28.155 million and in 1997 Wisconsin Act 27 increased the number to twenty two and the tax credits to \$33.155 million.

The enterprise development zones program was authorized in 1995 Wisconsin Act 27. The legislation authorized a total of fifty zones with a maximum of \$3 million in tax credits for each zone. These zones are site-specific and apply to only one business each. The program is targeted at areas of high distress. New EDZs are being designated on a regular basis. The elimination of the non-jobs tax credits (Wisconsin Act 27) provides a greater incentive to the EDZ businesses to make the effort to locate target group members to fill their newly created position, thus requiring additional technical assistance from the job specialist.

The Department expects the program to continue to grow over the next several years. Four CDZs and an undetermined number of EDZs will be designated this fiscal year. The Bureau expects to certify 90 CDZ businesses this year, 100 next year, and 100 the year after that. The Bureau expects to designate all 50 authorized EDZs by the end of 1998. This will increase the number of tax credit verifications (which must be done every year) and the number of jobs available for target group workers.

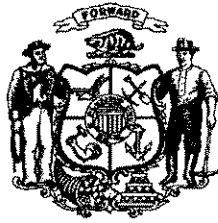
COMMUNITY DEVELOPMENT ZONE PROGRAM GROWTH

Period ending:	6/30/91	6/30/92	6/30/93	6/30/94	6/30/95	6/30/96	6/30/97	12/31/97
Number of zones	12	12	12	12	12	14	18	18
Certified businesses	50	96	133	157	204	290	383	379
Jobs to be created	1224	1929	2370	2571	2950	5021	6972	7017
Target group hires	420	870	1300	1900	2575	3084	3534	3829
Investment (in millions)	\$55	\$92	\$111	\$120	\$138.3	\$194.8	\$284.1	\$318.5
Credits allocated (in millions)	\$3.77	\$6.85	\$8.49	\$9.62	\$10.86	\$16.10	\$18.20	\$21.7

THE STATE OF WISCONSIN

SENATE CHAIR
BRIAN BURKE

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Madison, WI 53707-7882
Phone: (608) 266-8535



ASSEMBLY CHAIR
JOHN GARD

315-N Capitol
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JOINT COMMITTEE ON FINANCE

MEMORANDUM

To: Members
Joint Committee on Finance

From: Senator Brian Burke
Representative John Gard
Co-Chairs, Joint Committee on Finance

Date: March 27, 1998

Re: s. 16.515/16.505, Stats. Request

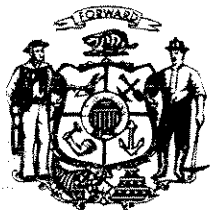
Attached is a copy of a request from the Department of Administration, dated March 27, 1998, pursuant to s. 16.515/16.505(2) Stats., pertaining to a request from the Board on Aging and Long Term Care.

Please review the material and notify **Senator Burke** or **Representative Gard** no later than **Wednesday, April 15, 1998**, if you have any concerns about the request or if you would like to meet formally to consider it.

Also, please contact us if you need further information.

Attachment

BB:JG:dh



STATE OF WISCONSIN
DEPARTMENT OF ADMINISTRATION
101 East Wilson Street, Madison, Wisconsin

TOMMY G. THOMPSON
GOVERNOR
MARK D. BUGHER
SECRETARY

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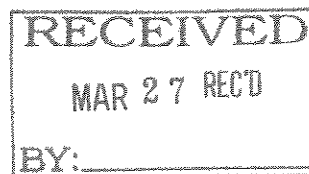
Date: March 27, 1998

To: The Honorable Brian Burke, Co-Chair
Joint Committee on Finance

The Honorable John Gard, Co-Chair
Joint Committee on Finance

From: Mark D. Bugher, Secretary
Department of Administration

Subject: S. 16.515/16.505(2) Requests



Enclosed are requests that have been approved by this department under the authority granted in s. 16.515 and s. 16.505(2). The explanation for each request is included in the attached materials. Listed below is a summary of each item:

AGENCY	DESCRIPTION	1997-98		1998-99	
		AMOUNT	FTE	AMOUNT	FTE
BOALTC 20.432(1)(k)	Contracts with state agencies	*\$30,700		*\$30,700	

* One-time expenditure authority.

As provided in s. 16.515, the requests will be approved on April 17, 1998, unless we are notified prior to that time that the Joint Committee on Finance wishes to meet in formal session about any of the requests.

Please contact Jay Huemmer at 266-1072, or the analyst who reviewed the request in the Division of Executive Budget and Finance, if you have any additional questions.

Attachments